

105TH CONGRESS
1ST SESSION

H. R. 2164

To amend the Internal Revenue Code of 1986 to permit penalty-free withdrawals from individual retirement accounts for certain adoption expenses.

IN THE HOUSE OF REPRESENTATIVES

JULY 15, 1997

Mr. KENNEDY of Massachusetts (for himself and Mr. BURTON of Indiana) introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to permit penalty-free withdrawals from individual retirement accounts for certain adoption expenses.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Adoption Incentives
5 Act of 1997”.

1 **SEC. 2. PENALTY-FREE WITHDRAWALS FROM INDIVIDUAL**
2 **RETIREMENT PLANS FOR ADOPTION EX-**
3 **PENSES.**

4 (a) IN GENERAL.—Paragraph (2) of section 72(t) of
5 the Internal Revenue Code of 1986 is amended by adding
6 at the end the following new subparagraph:

7 “(E) QUALIFIED ADOPTION EXPENSES.—
8 Distributions from an individual retirement
9 plan (other than distributions described in the
10 preceding subparagraphs of this paragraph) to
11 the extent that the amount of such distributions
12 does not exceed—

13 “(i) the excess of the qualified adop-
14 tion expenses (as defined in section 23(d))
15 paid by the taxpayer during the taxable
16 year, over

17 “(ii) the amount of the credit allow-
18 able under section 23 for such expenses
19 (determined as if such credit were allowed
20 for such year without regard to any limita-
21 tion based on liability for tax).”

22 (b) EFFECTIVE DATE.—The amendment made by
23 this section shall apply to distributions after the date of
24 the enactment of this Act.

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